

# Trends and features of budget financing of the border regions of the Siberian Federal District

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**Abstract.** The article discusses the expenses of the consolidated budgets of the border regions of the Siberian Federal District. On the basis of real statistical data, a comparison is made for regions in different areas of financing: socially-oriented expenditures, production expenditures, and administrative expenditures. It illustrates the possibility of analyzing the consolidated budgets.

**Keywords:** budget, budget financing, expense, border regions, Siberian Federal District

## 1. Introduction

Economic growth and sustainable socio-economic development can be considered the key goal of municipalities, regions, and the state as a whole. At the same time, if sustainable development is understood as the “permanently supported development” [12], then it is obvious that the budget becomes the main instrument of “support” and influence in solving the problem of economic development. It is thanks to the budget in the framework of economic relations that the created value of the gross domestic product of the country is redistributed.

However, the process of formation and use of budget funds has always caused, and to this day causes, a number of paramount issues. The first of them: where does the formation of the budget begin – with income or expenses? A. Smith, and J. Keynes focused on the foundations of economic theory found a solution to this dilemma. They argued that budgetary spending was paramount in the budget.

Another equally controversial issue is the choice of priorities in financing. How should budgetary resources be spent? In the economic (production) sphere or social (non-productive) sphere? Some specialists, including V. V. Leksin [6], E. V. Radkovskaya [9], S. A. A. Anisimov [1], believe that the leading role and primary importance belong to expenditures on the economic sphere and investment goals. At the same time, a number of authors, among whom Ye. I. Vorobiev [3], can be also noted. For instance, T. Yu. Tkachev [13], and I. V. Balynin [2] consider that at the regional level it is no less important, and sometimes and more necessary, to ensure socially oriented expenses.

However, V. P. Ivanitsky, V. I. Samarukh, and T. V. Sorokina, note that “thanks to the development of the theory of human capital, investments in people began to be considered as a source of economic growth” [4]. Despite this dispute, the current practice of budget financing, and this is indicated by A. I. Povarova [8], showed that over a number of years, along with the dynamics of productive and unproductive expenditures, the share of administrative expenses in the cost structure of territorial entities has been growing. It should be noted that the issues of quality and quantity of budget

financing are most acute in the border areas, since the border areas are among the most problematic regions [14]. However, if we bear in mind that the development of Russia in the coming decades is to be determined by the processes that occur in Siberia [11], it is obvious that the study of budget financing in the border regions of the Siberian Federal District (SFD) is currently not in doubt [15], [16].

In this regard, the purpose of this article is to analyze the consolidated budgets of the border SFD regions for 2010-2017, as well as to identify the features and trends of such financing. Such a study is also becoming relevant due to changes in the organizational structure of federal districts. Thus, in accordance with the Decree of the President of Russia "On Amendments to the List of Federal Districts" (November 3, 2018 No. 632, approved by the Decree of the President of the Russian Federation of May 13, 2000 No. 849"), the Trans-Baikal Krai and the Republic of Buryatia were incorporated into the Far Eastern Federal District. These changes, according to some experts, can bring significant transformations in investment activity, but a number of experts argue that we should not expect significant changes in the short term.

## **2. Materials and Methods**

The methodological basis of the study was both general scientific methods and special methods (economic, mathematical and statistical). For the analysis, official data of the Federal State Statistics Service (Rosstat) [10] on the execution of the consolidated budgets of the Siberian Federal District for the period 2010-2017 were used.

## **3. Results**

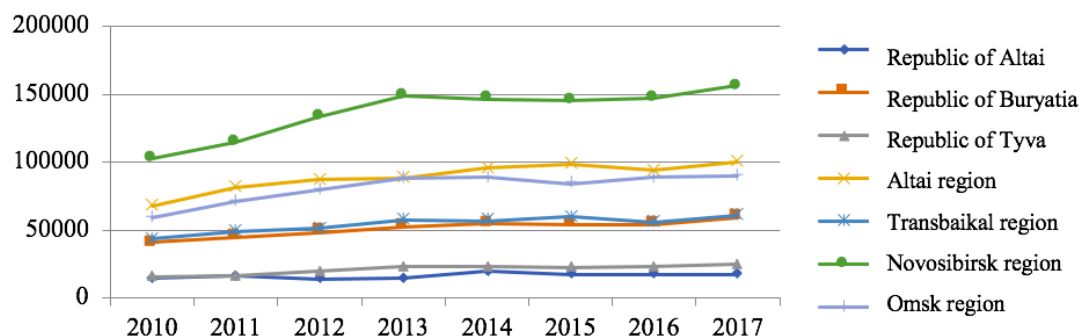
To conduct this study, we have to pose a number of restrictions:

- a) The social or unproductive costs should be understood as the costs of the following budget sections: "Education," "Culture and Cinematography," "Health Care," "Social Policy," "Physical Culture and Sports," "Mass media";
- b) The productive or economic costs are considered as the costs of the budget sections under the following classifications: "National Economy" and "Housing maintenance and utilities";
- c) Under management costs should understand the costs of the sections of the budget classification "National issues";
- d) Under the border region, it is necessary to understand the region, in terms of the macro level, having an access to state borders; therefore, in the Siberian Federal District from 7 regions (until 2018), 7 regions are border regions: the Republic of Altai, Buryatia, Tyva, Zabaykalsky and Altai Krai, Novosibirsk and Omsk Regions; from the point of view of the meso-level, the Altai Krai, the Omsk and Novosibirsk regions belong to the Kazakhstan frontier, and the Republic of Altai, Tyva, Buryatia and the Trans-Baikal Krai belong to the East-Siberian frontier, which has borders with Mongolia and China.

The procedure for assessing trends in budget financing of the border regions of the Siberian Federal District will be presented in the following steps:

- 1) An analysis is made in the dynamics of the border SFD regions in absolute terms of the total costs of the consolidated budgets of the regions, as well as expenditures for social, economic, managerial goals.;
- 2) An analysis is made of the SFD border regions by relative terms of the size of individual costs (non-productive, productive, managerial) per capita in the region;
- 3) Correlating the results of the analysis in absolute and relative terms;
- 4) Noting the trends in budget financing of the border regions of the SFD.

Based on the calculations, it has been established that the leader in terms of absolute cost indicators of the consolidated budgets of the border regions of the Siberian Federal District is the Novosibirsk region. (Fig. 1).

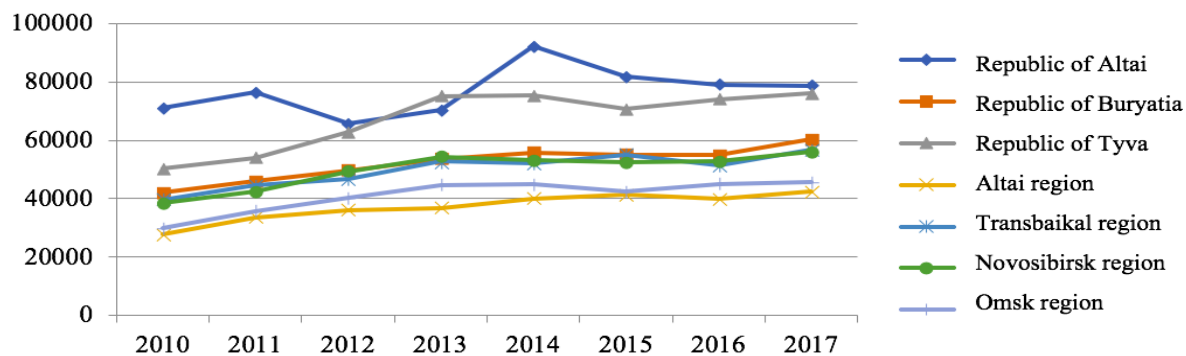


**Figure 1.** Dynamics of expenditures of the consolidated budgets of the border regions of the SFD for 2010-2017, mln. rub.

Comparing similar graphs on the dynamics of the absolute indicators of the consolidated budgets of the border SFD regions for certain goals (social, productive, administrative expenses), 4 trend lines are identified:

- The 1-st line characterizes the cost dynamics for the Republic of Altai and the Republic of Tyva;
- The 2-nd line characterizes the cost dynamics for the Trans-Baikal Krai and the Republic of Buryatia;
- The 3rd line characterizes the cost dynamics for the Altai Krai and the Omsk Region;
- The 4th line, respectively, demonstrates an increase in costs for the Novosibirsk region.

The analysis of relative indicators is the per capita expenditure in the considered areas of expenditures of the consolidated budgets of the border regions of the SFD revealed several other trends. (Fig. 2).



**Figure 2.** Dynamics of expenditures per capita of the consolidated budgets of the SFD border regions in 2010-2017, rub. / ppl.

Comparing similar relative indicators of social, productive and managerial costs per capita in the subjects of the federation under consideration, we found that the Altai Republic and the Tyva Republic are the most capacious in terms of per capita costs; the least capacious are the Altai Krai and the Omsk Region. The Novosibirsk Region, the Trans-Baikal Krai, and the Republic of Buryatia have approximately the same level of per capita expenditure.

Thus, according to a study of budget financing in the border SFD regions, we come to the following conclusion: in regions where there are minimum absolute indicators of consolidated budgets, there is a maximum budget expenditure per capita. Entering the correspondence scale from 1 to 4, where 1 is the minimum value and 4 is the maximum value, the trends for the border regions of the SFD can be represented as follows (Table 1).

**Table 1.** Trends in budget financing in the border regions of the SFD for 2010-2017.

Region	Absolute terms	Relative terms
Republic of Tyva, Altai Republic	1	4
Republic of Buryatia, Trans-Baikal Krai	2	3
Altai Krai, Omsk region	3	2
Novosibirsk region	4	-

Summarizing the results obtained in this study, it can be argued that in order to assess budget financing, including border regions, it is necessary to use both absolute and relative indicators, but they can lead to rather contradictory results.

#### 4. Discussion

Diagnosis of the state and characteristics of the socio-economic development of border regions is currently a complex, multidimensional task requiring the use of a diverse set of research methods [7]. At the same time, one of the tools in the set of such methods can be the analysis of budget financing based on trends of absolute indicators of budget expenditures, as well as per capita expenditures. In addition, these indicators can complement specialized methodologies aimed at ensuring a balanced budget [5], in the framework of achieving sustainability of macroeconomic systems.

#### 5. Conclusion

Of course, the study does not reveal all the features and trends of budget financing in the framework of the regional budget policy of the border regions of the Siberian Federal District. To fully characterize such relations, a comprehensive analysis of the revenues, costs, and balance of the budgets of such territories should be carried out. In addition, it would be interesting to study the correlation of socially-oriented costs, productive, management costs for GRP. All this may be the subject of further research and discussions in the framework of future works.

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